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## Psychological Well-Being and Innovative Work Behaviour Among Entrepreneurs: A Systematic Review and Integrative Theoretical Framework.

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**Abstract**

Entrepreneurial innovation is increasingly recognized as a strategic engine of economic development, particularly in Africa, where entrepreneurship addresses pressing challenges of job creation and sustainable growth. Yet the psychological foundations of this innovation remain insufficiently understood. This paper employs a dual methodological strategy: a PRISMA-based systematic literature review (2001–2023) synthesizing ten peer-reviewed empirical studies identified through Web of Science and Scopus, and an integrative theory-building approach structured according to Whetten's (1989). The review reveals three thematic domains: entrepreneurial characteristics shaping innovation and well-being, mental health conditions with paradoxical effects on innovative capacity, and contextual moderators of the well-being–innovation relationship. Building on these findings, we develop a multi-mediation theoretical model in which psychological capital, psychological safety, and work engagement mediate the relationship between psychological well-being conceptualized through Ryff's (1989) eudaimonic model and innovative work behavior. Twelve theoretical propositions and twelve boundary conditions structure the integrative model. The paper contributes to the literature by advancing understanding of how psychological factors sustain entrepreneurial innovation in emerging African economies.

**Keywords:** *Psychological well-being; Innovative work behaviour; Entrepreneurship; Theory building; Psychological capital; Psychological safety.*

## 1. Introduction

Entrepreneurship stands as one of the most consequential drivers of economic growth and social change in the modern world (Audretsch, 2007; Urbano et al., 2019). In Africa specifically entrepreneurship represents far more than an economic activity: it is a response to structural unemployment, a mechanism for community development, and a vehicle for endogenous innovation (George et al., 2016; Elouaourti & Ibourk, 2024). Yet for entrepreneurship to fulfill this transformative potential, it must be innovative. And for innovation to be sustained, it must be psychologically grounded.

Innovative work behaviour defined as the deliberate generation, promotion, and implementation of new ideas within an entrepreneurial role, team, or organization has been identified as a critical determinant of entrepreneurial success and venture sustainability (Janssen, 2000; de Jong & Den Hartog, 2010). A growing body of research now suggests that this behaviour is deeply influenced by the psychological well-being of the entrepreneur (Stephan, 2018; Wiklund et al., 2019; Nikolaev et al., 2020). Psychological well-being, conceptualized through Ryff's (1989, 2019) multidimensional eudaimonic model encompassing self-acceptance, personal growth, purpose in life, autonomy, positive relations with others, and environmental mastery, shapes individuals' cognitive repertoires, motivational orientations, and capacity to sustain the effort that innovation demands.

Despite this intuition, the empirical literature remains fragmented. Research at the intersection of well-being and innovative behaviour spans entrepreneurship, organizational psychology, and innovation studies, but these disciplines rarely speak to one another systematically (Ibrahim et al., 2023). Moreover, studies specifically grounded in African entrepreneurial contexts remain rare, despite the evident urgency of understanding innovation processes in environments characterized by institutional uncertainty, limited financial inclusion, and strong communal cultural values (Frese, 2024; Wilson Fadiji et al., 2024).

This paper addresses these gaps through two complementary contributions. First, we present a PRISMA-based systematic literature review of studies published between 2001 and 2023, synthesizing empirical findings on the relationship between psychological well-being and innovative behaviour among entrepreneurs. Second, drawing on this synthesis and on Whetten's (1989) theory-building approach, we develop an integrative theoretical framework that specifies the mediating mechanisms, moderating conditions, and contextual boundary conditions of this relationship, with particular attention to the African context.

Our central research question is: How does psychological well-being influence the innovative work behaviour of entrepreneurs, and through what mechanisms does this relationship operate in African entrepreneurial contexts? Three subsidiary questions guide the inquiry: (1) How does psychological

well-being influence entrepreneurial innovative behaviour? (2) How does innovative behaviour, in turn, affect entrepreneurial well-being? (3) What factors moderate the relationship between well-being and innovation in entrepreneurial contexts?

The remainder of the paper proceeds as follows. Section 2 presents the systematic review methodology. Section 3 reports descriptive and thematic findings from the reviewed literature. Section 4 presents an integrative empirical framework derived from the review. Section 5 introduces our theoretical framework structured around Whetten's (1989) four pillars. Section 6 details the core constructs; Section 7, the relational architecture; Section 8, the theoretical foundations; and Section 9, the boundary conditions. Section 10 discusses theoretical contributions, managerial implications, and limitations. Section 11 concludes.

In summary, this article addresses the following subject: the relationship between entrepreneurial psychological well-being and innovative work behaviour, with a specific focus on African contexts. Its central objective is to develop an integrative theoretical framework grounded in both a systematic empirical review and Whetten's (1989) theory-building approach that explains how and through what mechanisms psychological well-being sustains entrepreneurial innovation. The paper is structured as follows: Section 2 presents the PRISMA-based systematic review methodology; Sections 3 and 4 report the descriptive, thematic, and empirical findings; Sections 5 through 9 develop the theoretical framework (core constructs, relational architecture, theoretical foundations, and boundary conditions); Section 10 discusses contributions and implications; and Section 11 concludes.

## **2. Methodology**

### ***2.1 Systematic Review: PRISMA Protocol***

The systematic literature review component of this paper follows the PRISMA methodology (Preferred Reporting Items for Systematic Reviews and Meta-Analyses; Moher et al., 2009), which provides a structured and reproducible approach for identifying, selecting, and synthesizing relevant studies. The review unfolded across four phases: (1) development of the search strategy; (2) study selection; (3) data extraction; and (4) thematic synthesis.

We searched two major academic databases, Web of Science and Scopus, using a Boolean search strategy combining three conceptual clusters: innovative behaviour (including creativity, proactivity, problem-solving, and adaptability); psychological well-being (including mental health, job satisfaction, stress management, and work-life balance); and entrepreneurship (including entrepreneurs, startups, business ventures, and risk-taking). The search was restricted to peer-reviewed articles in English

published between January 2001 and April 2023, chosen to capture both foundational contributions and the most recent empirical developments.

Studies were included if they explicitly addressed both psychological well-being and innovative behaviour in entrepreneurial contexts, provided empirical or theoretical evidence on their relationship, and focused primarily on entrepreneurs, founders, or small business owners. Studies focusing exclusively on employees, or on well-being or innovation in isolation, were excluded, as were non-peer-reviewed publications.

The search initially returned 317 articles (167 from Scopus; 150 from Web of Science). After removing 18 duplicates, 299 articles were screened by title and abstract, yielding 66 for full-text review. Following independent evaluation by two researchers and resolution of disagreements by a third, 10 studies met all inclusion criteria. Data were extracted using a standardized form covering study characteristics, theoretical framework, key findings, contextual factors, and limitations. Thematic analysis followed Braun and Clarke's (2006) inductive approach.

### ***2.2 Theoretical Framework: Whetten's (1989) Theory-Building Approach***

The theoretical component of this paper follows the systematic theory-building framework developed by Whetten (1989), which structures conceptual development around four foundational questions: What are the key constructs (the 'what')? How are they related (the 'how')? Why do these relationships hold (the 'why')? And for whom, where, and when does the theory apply (the 'who, where, when')? This approach ensures that our integrative model moves beyond describing existing findings to making a genuinely novel theoretical contribution, one that adds to the conceptual toolkit of the field rather than simply restating what is already known (Loilier & Tellier, 2011).

The model draws on more than 50 peer-reviewed sources spanning quantitative studies employing structural equation modeling, qualitative investigations, systematic literature reviews, and conceptual essays. This breadth is deliberate: by engaging heterogeneous sources across disciplines, geographical contexts, and methodological traditions, we ensure that our propositions are not artifacts of any single lens or paradigm.

## **3. Systematic Review: Descriptive Findings**

### ***3.1 Methodological and Geographic Profile***

The 10 included studies reflect a strong predominance of quantitative methodologies: nine (90%) employed survey-based quantitative designs, with sample sizes ranging from 105 to 882 participants. One study was theoretical in nature. Purely qualitative investigations of entrepreneurs' lived experience of the well-being–innovation interface were notably absent, representing an important methodological gap in the literature.

Geographic coverage spanned both developed economies (South Korea, Spain, the United States) and developing economies (Indonesia, Thailand, Greece, China), with no study conducted in an African context, a striking omission given Africa's growing entrepreneurial population and distinctive contextual conditions (Wilson Fadiji et al., 2024). Most studies (9 of 10) drew on single-country samples, limiting the cross-cultural generalizability of their findings.

### 3.2 Operationalization of Core Constructs

Psychological well-being was operationalized across the included studies through multiple proxies: subjective well-being (life satisfaction, positive and negative affect), mental health indicators (stress, anxiety, depression), sleep quality, work-related well-being (job satisfaction, engagement), and emotional reactions such as fear of failure. Innovative behaviour was captured through self-reported innovation, entrepreneurial orientation (particularly its innovation and proactivity dimensions), innovation outcomes (new products, services, processes), creative problem-solving, and risk-taking. This diversity reflects the multidimensional nature of both constructs but also complicates direct comparison across studies.

**Table N°1: Previous Studies Reviews on Well-Being and Innovative Work Behaviour**

Authors	Title	Key Contribution
Kalfaoğlu (2024)	Meta-analysis on well-being and job performance	Comprehensive PRISMA meta-analysis linking well-being and job performance
Jaswal et al. (2024)	Promoting well-being through happiness at work: a systematic review	Links happiness at work, well-being, and innovative behaviours
Wilson Fadiji et al. (2024)	Bibliometric review of positive psychology and well-being research in Africa	Identifies contextual factors affecting innovation capacity in African settings
Ibrahim et al. (2023)	PERMA well-being and innovative work behaviour: A systematic review	First comprehensive SLR on PERMA dimensions and innovative work behaviour
Villanova & Cunha (2021)	Everyday creativity: A systematic literature review	Emphasises links between everyday creative behaviours and psychological well-being

Authors	Title	Key Contribution
Hendriks et al. (2021)	Meta-analysis of psychological interventions for mental well-being	Mindfulness interventions enhance innovation through improved mental states
Känsälä et al. (2017)	Workplace resources to improve well-being and performance	Evidence for the 'happy worker – productive worker' thesis

Source: Authors

#### 4. Systematic Review: Thematic Findings

##### 4.1 Entrepreneurial Characteristics, Innovation, and Well-Being

Several studies examined how stable entrepreneurial characteristics simultaneously shape both innovative behaviour and psychological well-being. Lee and Kim (2019) found that career orientations characterized by creativity and managerial competence exerted a positive influence on entrepreneurial satisfaction and business sustainability, while security-oriented entrepreneurs reported lower satisfaction and reduced innovative behaviour. This reflects a broader pattern in the literature: traits that facilitate innovation, also tend to sustain positive psychological states, creating potential virtuous cycles.

Regulatory focus emerged as a particularly important characteristic. Promotion-focused entrepreneurs (those emphasizing achievement and growth) were more likely than prevention-focused counterparts to sustain R&D investments even during challenging periods (Mitchell et al., 2021), while simultaneously maintaining a more positive psychological outlook. These findings resonate with the broader literature on entrepreneurial traits and outcomes (Zhao & Seibert, 2006), adding nuance by revealing the simultaneous influence of such traits on well-being and innovation.

##### 4.2 Mental Health Conditions and Entrepreneurial Innovation

A second thematic domain concerns the paradoxical relationship between mental health conditions and entrepreneurial innovative behaviour. Gunia (2018) documented that sleep disturbances simultaneously increase entrepreneurial motivations, while impairing the cognitive and emotional functions required for effective innovation implementation. This paradox illustrates a broader pattern: certain psychological states may facilitate some dimensions of innovation (idea generation, opportunity recognition) while undermining others (execution, persistence, stakeholder management).

Freeman et al. (2019) found higher rates of psychiatric conditions, including ADHD, bipolar disorder, and substance-related disorders, among entrepreneurs than in control populations. The researchers proposed that conditions associated with divergent thinking, high energy, and cognitive flexibility may facilitate some aspects of entrepreneurial innovation, while simultaneously generating well-being costs

including emotional volatility and relational difficulties. This neurodiversity perspective aligns with creativity research (Kaufman & Sternberg, 2010) and challenges deficit-only framings of mental health in entrepreneurship (Wiklund et al., 2021).

Fear of failure, examined by Hasan and Raza (2023), showed context-dependent effects: incubated entrepreneurs were more likely to convert this fear into productive innovative behaviour, while non-incubated counterparts experienced it primarily as a barrier. These findings underline that the same psychological condition can be either a resource or a liability depending on the support environment.

#### ***4.3 Contextual Moderators of the Well-Being–Innovation Relationship***

The third major theme concerns contextual factors that moderate the relationship between well-being and innovative behaviour. Several studies revealed that organizational, sectoral, and environmental conditions substantially shape this relationship. Zhang et al. (2020) found that the positive link between psychological capital and innovation performance was significantly stronger in high-technology sectors than in traditional industries, suggesting that psychological resources carry greater weight in environments characterized by rapid change and technological uncertainty.

Kumar and Sharma (2022) demonstrated that the dominant stressor affecting the well-being–innovation translation differed across economic contexts: financial pressures more severely undermined both well-being and innovation in emerging economies, while regulatory complexity was the primary stressor in developed economies. This finding has direct relevance for Africa, where financial constraints and institutional fragility represent endemic challenges for entrepreneurs.

Social support networks emerged as a consistent protective factor: Liang et al. (2021) found that entrepreneurs embedded in strong social networks maintained higher innovative behaviour even during periods of psychological distress, with social support functioning as a psychological buffer. The incubation context, examined by Hasan and Raza (2023), similarly demonstrated a capacity to transform emotional distress into productive innovation, underscoring the role of structured support environments in moderating the well-being–innovation interface.

### **5. Integrative Empirical Framework**

Based on our systematic review, we propose an integrative bidirectional framework that maps the complex, recursive relationship between psychological well-being and innovative behaviour among entrepreneurs. This framework captures both directions of influence, well-being shaping innovation, and innovation feeding back into well-being, and identifies three broad categories of contingencies: personal factors (entrepreneurial characteristics, mental health status, gender), business factors (organizational climate, sectoral context, venture stage), and external factors (institutional environment, cultural context, financial ecosystem).

This framework extends prior conceptualizations of entrepreneurial well-being (Stephan, 2018; Wiklund et al., 2019) and innovative behaviour (Anderson et al., 2014) by explicitly representing bidirectional effects and integrating multiple contingency dimensions. It aligns with conservation of resources theory (Hobfoll, 2001) and job demands-resources theory (Bakker & Demerouti, 2018), both of which foreground the dynamic interplay between psychological resources, demands, and outcomes across time. Crucially, the framework reveals that the well-being–innovation relationship is not a simple positive linear association. Some mental health conditions may simultaneously facilitate idea generation and hinder implementation; some innovation processes may enhance certain dimensions of well-being while depleting others; and the same psychological state may drive innovation in one context while inhibiting it in another. These paradoxical dynamics call for theoretical frameworks capable of accommodating complexity, including paradox theory (Smith & Lewis, 2011) and ambidexterity perspectives (Gibson & Birkinshaw, 2004).

## **6. Theoretical Framework: Core Constructs (The "What")**

### ***6.1 Entrepreneurial Psychological Well-Being***

Psychological well-being is conceptualized through Ryff's (1989, 2019) multidimensional eudaimonic model, which moves beyond hedonic conceptions focused on pleasure and life satisfaction to integrate dimensions of meaning, growth, and self-actualization. This model is particularly well-suited to the entrepreneurial context, and to African settings, where well-being is often grounded in communal values and contribution to collective development (Koburtay et al., 2022).

The model's six dimensions take on specific meaning in African entrepreneurial contexts. Self-acceptance requires particular resilience in environments marked by institutional fragility and structural constraint. Personal growth, defined as openness to new experiences and ongoing development, resonates with African entrepreneurial motivations centered on social impact and the realization of individual potential (Padilla-Angulo et al., 2023). Purpose in life, understood as having meaningful goals, is often nourished in African contexts by the aspiration to address community needs.

Autonomy as the sense of self-determination and independence must be understood within African communal frameworks that temper its purely individualistic meaning. Positive relations with others are particularly salient in African entrepreneurial contexts, where dense social networks serve as primary mechanisms for accessing resources, opportunities, and legitimacy. Finally, environmental mastery as the capacity to manage one's surroundings effectively for African entrepreneurs encompasses the ability to navigate complex, sometimes hostile institutional environments and to adapt innovatively to local constraints.

## **6.2 Innovative Work Behaviour**

Innovative work behaviour is defined as a multiphase process that includes opportunity exploration, idea generation and development, idea championing and promotion, and idea implementation (de Jong & Den Hartog, 2010; Battistelli et al., 2023). This four-component model is particularly valid for understanding entrepreneurial innovation, since entrepreneurs must personally drive each stage of the innovation process rather than relying on organizational structures to carry ideas forward.

In African contexts, each phase carries specific characteristics. Opportunity exploration is grounded in intimate knowledge of local needs and contextual constraints. Idea generation often draws on frugal innovation approaches adapted to resource-limited environments. Idea championing requires navigating local sociocultural dynamics and context-specific legitimation mechanisms. And idea implementation demands adaptive competencies to work around infrastructural and regulatory barriers that is a form of effectual entrepreneurship (Sarasvathy, 2001) that is particularly prevalent in high-uncertainty African markets.

## **7. Relational Architecture of the Model (The "How")**

### **7.1 Core Mediating Variables**

Psychological capital comprising self-efficacy, hope, optimism, and resilience, constitutes the primary mediating mechanism between psychological well-being and innovative behaviour (Luthans et al., 2007; Battistelli et al., 2023). Contemporary research consistently demonstrates its mediating role: entrepreneurs with greater well-being develop richer psychological capital, which in turn enables the sustained effort, creative risk-taking, and persistence that innovation demands (Khan et al., 2023; Hermina, 2024). In African contexts, resilience (the capacity to recover from adversity, and hope as the motivation to pursue goals through alternative pathways carry particular weight given the structural challenges entrepreneurs routinely navigate.

Psychological safety the shared perception that interpersonal risk-taking is safe within an organizational context represents the second key mediator (Edmondson, 1999). Recent studies confirm that psychological safety partially mediates the relationship between psychological capital and innovative behaviour (Sun & Huang, 2019). In African entrepreneurial organizations, this dimension is particularly consequential: hierarchical norms and deference to authority can suppress the expression of novel ideas, making psychological safety a necessary precondition for translating individual well-being into collective innovative outcomes.

Work engagement as the state of vigor, dedication, and absorption that sustains effort over time constitutes the third mediator. Koroglu and Ozmen (2021) demonstrate that engagement mediates the relationship between psychological well-being and innovative work behaviour, functioning as the

psychological bridge between positive personal states and the active, sustained investment that innovation requires.

## **7.2 Core Theoretical Propositions**

*Proposition 1: Entrepreneurial psychological well-being is positively associated with psychological capital.*

This relationship is grounded in broaden-and-build theory (Fredrickson, 2003): positive emotions generated by hedonic well-being broaden cognitive repertoires and build psychological resources including self-efficacy and optimism, while eudaimonic well-being through the autonomy and meaning it provides fosters hope and resilience. Positive relations with others, particularly central in African communal cultures, further strengthen psychological capital through social recognition and support (Baluku et al., 2018).

*Proposition 2: Entrepreneurial psychological well-being is positively associated with psychological safety within entrepreneurial organizations.*

Entrepreneurs with high well-being create more supportive organizational climates, thus their positive affect promotes high-quality interpersonal relationships, encourages open communication, and reduces defensive behaviour (Edmondson & Lei, 2014). This relationship carries particular cultural weight in African contexts where interpersonal relationships are organizationally and socially foundational.

*Proposition 3: Psychological capital is positively associated with innovative work behaviour.*

Self-efficacy enables ambitious goal-setting and persistence under adversity; hope sustains the generation of creative alternative pathways; optimism encourages engagement in innovation projects despite inherent risk; and resilience enables learning from failure and continued iteration. Together, these resources constitute a psychological infrastructure for sustained innovative engagement (Gao et al., 2020; Hermina, 2024).

*Proposition 4: Psychological safety in entrepreneurial organizations is positively associated with innovative work behaviour.*

Psychological safety reduces the perceived cost of innovative behaviour by attenuating the fear of judgment, failure, or sanction (Edmondson & Lei, 2014). It facilitates the sharing of tacit knowledge, encourages experimentation, and promotes collective learning.

*Proposition 5: Psychological capital partially mediates the relationship between well-being and innovative work behaviour.*

Psychological well-being first cultivates psychological resources, which in turn enable innovative engagement. This two-stage process explains why simple correlations between well-being and

innovation often understate the complexity of the underlying causal architecture (Khan et al., 2023; Battistelli et al., 2023).

*Proposition 6: Work engagement mediates the relationship between psychological capital and innovative work behaviour.*

Psychological capital generates the motivational energy that work engagement channels into sustained innovative effort. Engagement represents the active translation of psychological readiness into behavioral investment, the mechanism through which having resources becomes using them for innovation (Koroglu & Ozmen, 2021).

*Proposition 7: Innovative work behaviour positively influences entrepreneurial psychological well-being, creating a reciprocal dynamic.*

Successful innovation generates a sense of accomplishment, strengthens self-esteem, and reinforces purpose in life feeding positively back into the dimensions of psychological well-being. This bidirectional relationship creates a positive spiral in which well-being and innovation mutually reinforce one another over time (Kim, 2024; Peiró et al., 2023). The spiral can also run in reverse: sustained innovation failure, particularly in resource-constrained African environments, may progressively erode well-being, highlighting the importance of protective psychological structures.

## **8. Theoretical Foundations (The "Why")**

### **8.1 Broaden-and-Build Theory**

Fredrickson's (2003) broaden-and-build theory provides the primary explanatory foundation of our model. It posits that positive emotions as central to hedonic well-being broaden individuals' cognitive and behavioural repertoires, expanding the range of thoughts, actions, and associations available at any moment. In entrepreneurial contexts, this cognitive broadening facilitates creative idea generation, unconventional opportunity recognition, and the flexible thinking that innovation demands. Recent work by Peiró et al. (2023) extends this theory to show that innovative behaviours and eudaimonic well-being mutually reinforce each other over time, creating expanding spirals of creative capacity and personal flourishing.

### **8.2 Conservation of Resources Theory**

Hobfoll's (2002) conservation of resources theory proposes that individuals are motivated by the acquisition, conservation, and protection of valued resources. Psychological well-being constitutes a meta-resource and a foundational psychological asset that enables the development and maintenance of other resources critical for innovation. Entrepreneurs with high well-being possess the psychological reserves necessary to absorb the costs of innovation failure, a particularly important property in African

environments where structural constraints amplify the risks associated with entrepreneurial experimentation.

### **8.3 Self-Determination Theory**

Ryan and Deci's (2001) self-determination theory identifies three fundamental psychological needs; autonomy, competence, and relatedness, whose satisfaction fosters eudaimonic well-being and intrinsic motivation, both major predictors of innovative behaviour. In African contexts, this theory must be adapted to accommodate the communal dimension of motivation: the satisfaction of individual psychological needs often interacts with collective aspirations, and relatedness as the sense of meaningful connection with others, carries particular weight in Ubuntu-influenced cultural frameworks (Littlewood et al., 2022).

### **8.4 Positive Organizational Behaviour Theory**

Luthans' (2002) positive organizational behaviour theory provides the conceptual architecture for psychological capital as a set of developable positive psychological resources. It explains how self-efficacy, hope, optimism, and resilience function as transmission mechanisms between well-being and innovation, and how these resources can be cultivated through targeted interventions, that is a finding with direct practical implications for entrepreneurial support programs in Africa (Abbas & Khattak, 2024).

### **8.5 Social Exchange Theory**

Blau's (1964) social exchange theory illuminates how the positive relational dynamics fostered by high well-being generate a climate of trust that sustains psychological safety and innovative collaboration. In African entrepreneurial contexts, where values of solidarity and mutual support are organizationally salient, social exchange processes carry particular weight: the reciprocal investments entrepreneurs make in their teams' well-being generate enhanced commitment to collective innovative effort (Khavul et al., 2009).

## **9. Boundary Conditions and Contextual Moderators (The "Who, Where, When")**

### **9.1 Individual Moderators**

Entrepreneurial experience moderates the relationship between psychological well-being and psychological capital: novice entrepreneurs, who face greater uncertainty and have fewer established coping routines, derive more of their psychological resources from well-being than experienced counterparts who can draw on accumulated knowledge and networks (Frese, 2024).

*Proposition 8: Entrepreneurial experience moderates the well-being–psychological capital relationship, with stronger effects for novice entrepreneurs navigating high uncertainty.*

Gender moderates the relationships in the model in ways that reflect both individual psychological differences and broader sociocultural dynamics. In African contexts specifically, gender norms intersect with entrepreneurial roles in complex ways that shape how well-being translates into innovative behaviour and how psychological capital is expressed and leveraged (Guelich, 2022; Jumriaty et al., 2024).

*Proposition 9: Gender moderates key relationships in the model, with differential effects depending on the dimensions of well-being and specific African cultural contexts.*

### **9.2 Organizational Moderators**

Leadership style constitutes a critical organizational moderator. Transformational and ethical leadership create conditions under which the positive effects of well-being on psychological capital and innovative behaviour are amplified, while authoritarian leadership styles may suppress these effects (Wang & Kim, 2023; Islam et al., 2024).

*Proposition 10: Transformational, ethical, and entrepreneurial leadership styles moderate the relationships in the model, strengthening the well-being–innovation pathway.*

### **9.3 Contextual Moderators Specific to African Environments**

Institutional quality and economic development emerge from the literature as particularly consequential moderators. Institutional fragility including weak property rights, unreliable contract enforcement, and bureaucratic unpredictability, can attenuate the positive effects of well-being on innovation by increasing the transaction costs associated with entrepreneurial action and reducing the perceived returns to innovative investment (Elouaourti & Ibourk, 2024).

*Proposition 11: Institutional development moderates the relationships in the model, with the well-being–innovation pathway being stronger in more institutionally stable environments.*

Limited access to financial resources, a structural characteristic of many African entrepreneurial ecosystems, places additional demands on psychological capital while constraining the material resources necessary for innovation implementation. Financial inclusion, understood broadly as access to credit, savings instruments, and financial services, thus functions as an enabling condition for the translation of psychological readiness into innovative outcomes (Elouaourti & Ibourk, 2024).

*Proposition 12: Financial inclusion and resource availability moderate the relationship between psychological capital and innovative work behaviour, with significant resource constraints attenuating this relationship.*

## 10. Theoretical Contributions and Managerial Implications

### 10.1 Theoretical Contributions

This paper advances the literature in three principal ways. First, it provides an empirical synthesis: by consolidating ten empirical studies through a rigorous PRISMA protocol, the systematic review identifies patterns, inconsistencies, and gaps that individual studies cannot reveal in isolation, including the paradoxical effects of some mental health conditions on innovation, the bidirectional nature of the well-being–innovation relationship, and the critical role of contextual moderators.

Second, it provides theoretical integration: the proposed model unifies previously fragmented research streams on psychological capital, psychological safety, work engagement, and eudaimonic well-being within a single coherent relational architecture structured according to Whetten's (1989) rigorous theory-building standard. The dual mediation through both psychological capital and psychological safety is a conceptually novel contribution: prior research has typically examined these mediators in isolation, missing the complementary and simultaneous mechanisms through which well-being reaches innovative behaviour.

Third, it provides contextual grounding: the systematic integration of African cultural, institutional, and economic specificities into a framework previously developed only in Western guise responds to a growing call in international entrepreneurship for theorizing that takes context seriously rather than treating it as background noise (George et al., 2016; Frese, 2024; Williams et al., 2022). The articulation of Ubuntu philosophy, communal motivational structures, financial exclusion, and institutional fragility as constitutive features of African entrepreneurial well-being and innovation represents a contribution that moves beyond adding a control variable to actually reconceptualizing the theoretical architecture for a new empirical domain.

### 10.2 Implications for Entrepreneurs and Support Actors

For entrepreneurs, the most actionable implication is that psychological well-being should be treated not as a personal luxury but as a strategic resource with direct implications for innovative capacity. This reframing suggests that stress management, work-life integration, and the cultivation of enriching social relationships deserve explicit attention alongside financial planning and market strategy. Research by Tisu et al. (2023) confirms that well-being functions as an antecedent of entrepreneurial performance and its neglect carries measurable costs.

For incubators, accelerators, and entrepreneurial support programs, our findings argue for the integration of psychological well-being modules alongside traditional business development services. The evidence from Hasan and Raza (2023) that incubated entrepreneurs better convert fear into productive behaviour illustrates the power of structured support environments to moderate the well-being–innovation

relationship. Programs modeled on Frese's (2024) STEP interventions, which build psychological capital and entrepreneurial competencies simultaneously represent a promising template.

For policymakers in African contexts, the findings call for entrepreneurial support frameworks that explicitly recognize the mental health challenges associated with innovation, invest in financial inclusion as a precondition for translating well-being into innovative action, and promote institutional stability as the enabling environment within which psychological readiness can be converted into tangible innovation outcomes.

### ***10.3 Limitations and Future Research Directions***

Several limitations deserve acknowledgement. The systematic review is restricted to English-language publications in two databases, which may exclude relevant work in French, Arabic, or Portuguese. The restricted corpus of ten studies reflects the emergent nature of the field and limits the statistical power of any synthesis. The predominance of quantitative, cross-sectional, single-country designs across reviewed studies restricts our understanding of causal dynamics and temporal evolution.

The theoretical model, while grounded in existing literature, requires empirical validation. Future research should prioritize longitudinal designs capable of capturing the temporal dynamics of the well-being–innovation spiral throughout the entrepreneurial journey. Mixed-methods approaches combining structural equation modeling with qualitative investigation of contextual nuances are particularly needed for African settings. The integration of physiological measures (sleep quality, stress hormones, cardiovascular indicators ) into psychological assessments would enable a more comprehensive understanding of the underlying biological mechanisms. And future work should explicitly test the boundary conditions articulated in our twelve moderating propositions, particularly the roles of institutional quality, financial inclusion, and leadership style in shaping the well-being–innovation pathway.

## Conclusion

This paper has developed an integrative account of the relationship between psychological well-being and innovative behaviour among entrepreneurs, combining a PRISMA-based systematic review of the empirical literature with a theoretically rigorous conceptual model anchored in Whetten's (1989) theory-building framework and calibrated to the African entrepreneurial context.

The systematic review reveals a complex, bidirectional relationship moderated by entrepreneurial characteristics, mental health conditions, and a range of contextual factors. The literature suggests not a simple positive relationship but a nuanced interplay in which well-being and innovative behaviour can mutually reinforce or undermine one another through distinct mechanisms, the paradoxical effects of sleep disturbance on entrepreneurial motivation and capacity, the dual-edged nature of neurodivergent conditions for innovation, and the context-dependency of fear as a motivational force all illustrate this complexity.

The theoretical framework advances the literature by proposing a dual mediation architecture, operating through psychological capital, psychological safety, and work engagement, situated within a boundary condition structure that integrates individual, organizational, and contextual moderators specific to African environments. The model positions psychological well-being not as a peripheral concern but as a strategic psychological resource with direct consequences for the innovative capacity that African economies urgently need.

Ultimately, sustaining entrepreneurial innovation in Africa requires more than financial capital and technical knowledge: it requires the psychological infrastructure that enables entrepreneurs to generate ideas, champion them under adversity, and implement them despite structural constraints. Understanding how to build and protect that infrastructure, and how well-being serves as its foundation, is both a theoretical imperative and a practical necessity for the entrepreneurial development of the continent.

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